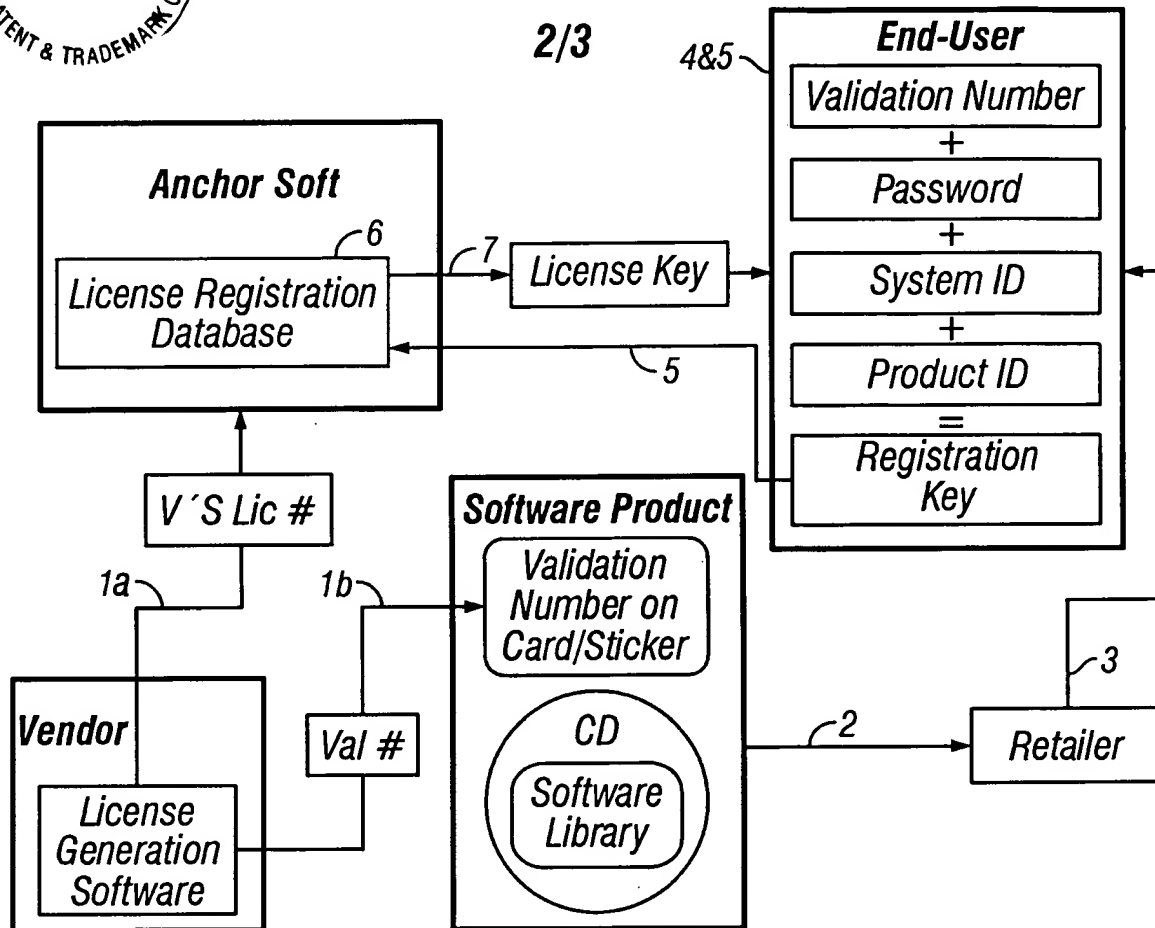


1. A Unique Vendor Identification Number (VID) is Assigned to the Vendor
2. A Unique Vendor Encryption Key (VEK) is Assigned to the Vendor
3. A Unique Product Identification Number (PID) is Assigned to the Vendor's Product
4. A Product Verification Encryption Key (PVEK) and a Registration Encryption Key (REK) are Created and are Incorporated into the Software Library. The REK and PVEK are Unique for Each Product.
5. The Software Library is Provided to Vendor. It Contains the PVEK and REK
6. The Vendor is Provided with the License Generator Software
7. Vendor Incorporates the Software Library into His Application
8. Vendor Enables the License Generator Software by Entering the VID and the VEK. The Vendor is Now Ready to Produce Validation Numbers and Vendor's License Numbers

FIG. 1



- Step 1.** Validation # & Vendor's License # are Generated
- Step 1a.** Vendor License #, Encrypted with VEK is Registered at Lic. Reg. Database
- Step 1b.** Validation # is Inserted in Box or on CD
- Step 2.** Product Shipped to Retailer
- Step 3.** End-User Purchases Product
- Step 4a.** End User Enters Validation # + Password
- Step 4b.** Library Creates Registration Key (Includes System ID + Product ID & Password) Which is Encrypted with the REK
- Step 5.** Library or User Launches Browser, which Connects to Lic. Reg Database
- Step 6.** Lic. Reg. Database Validates Registration Key and Generates License Key, which is Encrypted with the PVEK
- Step 7.** Library License Enters License Key in User System Registry.

**FIG. 2**



3/3

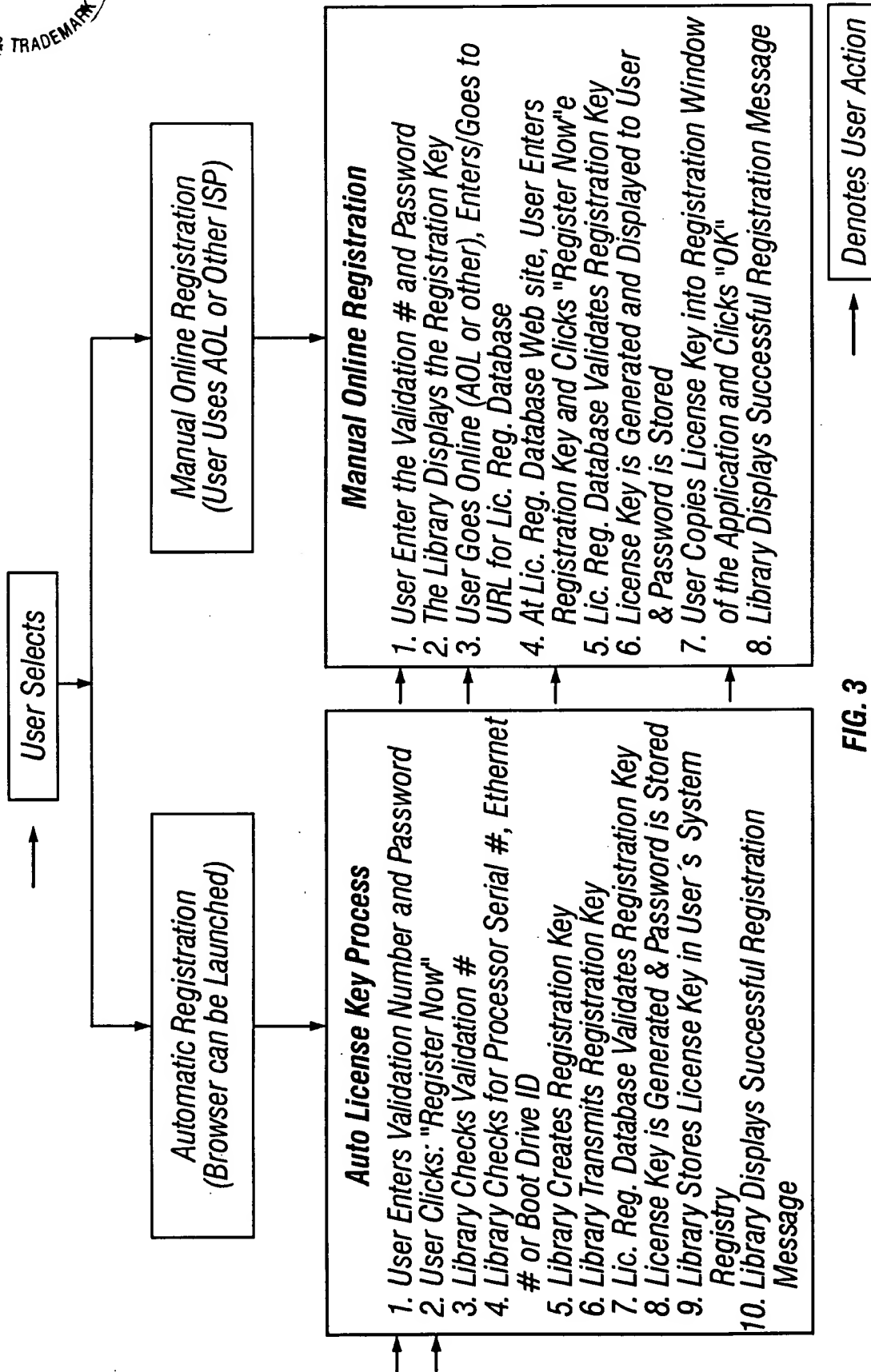


FIG. 3